

**EXAMINATION REPORT**  
**OF**  
**GENERAL STAR INDEMNITY COMPANY**  
**AS OF**  
**DECEMBER 31, 2021**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON EXAMINATION  
OF  
GENERAL STAR INDEMNITY COMPANY  
AS OF  
DECEMBER 31, 2021

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

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Trinidad Navarro  
Insurance Commissioner

Dated this 24th day of February, 2023

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December 19, 2022

Honorable Trinidad Navarro  
Commissioner of Insurance  
Delaware Department of Insurance  
1351 West North Street, Suite 101  
Dover, Delaware 19904

Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Examination Certification No. 22.002, dated November 2, 2021, an examination has been made of the affairs, financial condition and management of

**GENERAL STAR INDEMNITY COMPANY**

hereinafter referred to as the Company. The Company was incorporated under the laws of the State of Delaware as a stock company with its registered office located at 1209 Orange Street, Wilmington, Delaware 19801. The administrative office of the Company is located at 120 Long Ridge Road, Stamford, Connecticut 06902-1843. The report of examination thereon is respectfully submitted.

**SCOPE OF EXAMINATION**

We have performed our multi-state examination of the Company. The last examination of the Company was conducted as of December 31, 2016 by the Delaware Department of Insurance (Department). This examination of the Company covers the period of January 1, 2016 through December 31, 2021. Our examination was conducted concurrently with our examination of the

following affiliates of the Company: General Reinsurance Corporation (GRC), General Star National Insurance Company (GSN) and Genesis Insurance Company (GIC).

We conducted our examination in accordance with the *National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook* (Handbook) and generally accepted statutory insurance examination standards consistent with the Insurance Code and Regulations of the State of Delaware. The NAIC Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, pursuant to the General Corporation Law of the State of Delaware as required by 18 *Del. C.* §321, along with general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature, are not included within the examination report but separately communicated to other regulators and/or the Company.

During the course of the examination, consideration was given to work performed by the Company's external accounting firm, Deloitte & Touche LLP (Deloitte & Touche). Certain

auditor work papers have been incorporated into the examination work papers. The work papers were utilized in determining the scope, areas of emphasis in conducting the examination and in the area of risk mitigation and substantive testing.

### **SUMMARY OF SIGNIFICANT FINDINGS**

There were no significant findings or changes to the Company's financial statements as a result of the examination.

### **COMPANY HISTORY**

#### **General**

The Company was originally founded as General Reinsurance Corporation of Connecticut on June 21, 1967, under the laws of the State of Connecticut, and commenced business on May 11, 1979 under the name North Star Excess Insurance Corporation. The Company's name was changed to Genstar Indemnity Company in 1984 and to General Star Indemnity Company in 1986.

In 1997, the Company founded General Star International Indemnity Limited (GSIL), a wholly owned United Kingdom subsidiary. GSIL ceased writing new business in December 2000. On September 15, 2010, the Company divested of GSIL via an extraordinary dividend consisting of all issued and outstanding shares of GSIL paid to GRC. On September 22, 2011, Genesis Indemnity Insurance Company, a North Dakota domestic company, was merged into the Company. Effective December 31, 2012, the Company changed its statutory domicile from Connecticut to Delaware. The Company was founded by and has remained a direct subsidiary of GRC since its inception. On October 31, 1980, GRC reorganized as a wholly owned subsidiary of General Re Corporation (Gen Re), which was a newly formed holding company. On November 3, 1980, shares of Gen Re were listed on the New York Stock Exchange. Effective December 21, 1998, Gen Re was acquired by Berkshire Hathaway Inc. (BHI).

### Capitalization

The Company's Certificate of Incorporation authorizes the issue of 200,000 shares of common stock with a par value \$25 per share. As of December 31, 2021, the Company had 200,000 shares of common stock issued and outstanding totaling \$5 million. All outstanding common stock shares of the Company are owned by GRC. As of December 31, 2021, the Company reported paid-in and contributed surplus of \$85 million.

### Dividends

The Company paid ordinary dividends to its Parent, GRC, in the amounts of \$63 million, \$66 million and \$60 million during 2019, 2020 and 2021, respectively. The dividends were approved by the Company's Board of Directors (Board) and notification was provided to the Department. Payment was approved by the Department.

## **MANAGEMENT AND CONTROL**

### Directors

Pursuant to the General Corporation Laws of the State of Delaware, as implemented by the Company's Certificate of Incorporation and bylaws, the business and affairs of the corporation shall be managed by its Board, which may exercise all such powers of the corporation. The Company's bylaws state that the number of Directors constituting the Board shall not be less than three. Further, the Directors shall be elected at the annual meeting of the stockholders and each Director elected shall serve until his/her successor is elected and qualified, or until his/her resignation, removal or ineligibility. The bylaws require that the Board must elect a Chairman of the Board.

Directors duly elected and serving as of December 31, 2021, are as follows:

<u>Name</u>	<u>Principal Occupation</u>
Martin George Hacala	Chairman, Chief Executive Officer and President GSI GSN GIC
Andrew Randall Gifford	General Counsel and Secretary GRC
Edward Michael Nosenzo	North America Chief Financial Officer Gen Re

### Officers

Officers were elected in accordance with the bylaws during the period under examination. The bylaws, require that the Board, at its next regular meeting after the annual meeting of stockholders, shall choose a Chairman of the Board, President, Treasurer and Secretary. The Chairman of the Board and the President shall be directors, but the other officers need not be directors. The Chairman of the Board shall be designated Chief Executive Officer. All elected officers, except the Chairman of the Board, shall hold office for one year and until their successors shall be elected and qualified or until their death, resignation, or removal. The Board of Directors may appoint one or more Vice Presidents, one of whom may be designated as Executive Vice President and one or more of whom may be designated as Senior Vice President(s). The Board may also appoint and assign duties to a Comptroller. The Chief Executive Officer may appoint and terminate other officers at his/her discretion. One person may hold more than one office, except that the offices of Chairman of the Board and Secretary or President and Secretary may not be held by the same person.

The primary officers serving as of December 31, 2021 were as follows:

<u>Name</u>	<u>Title</u>
Martin George Hacala	Chairman, Chief Executive Officer and President
Edward Michael Nosenzo	Treasurer
Solan Bernhard Schwab	Secretary

### Corporate Records

The recorded minutes of the shareholder and Board were reviewed for the period under examination. The recorded minutes of the Board adequately documented the meetings, the election of directors and officers, as well as the approval of Company transactions and events, including the authorization of investments as required by 18 *Del. C.* § 1304.

### Insurance Holding Company System

The Company is a member of an insurance holding company system known as BHI as defined in 18 *Del. C.* § 5001(7) of the Delaware Insurance Code. GRC owns 100% of the Company, which is wholly own by Gen Re. BHI is the ultimate parent owning 100% of Gen Re. BHI is a publicly traded holding company controlled by Warren E. Buffett. In addition to Gen Re, BHI owns numerous other domestic and foreign-based (re)insurance entities. BHI's insurance businesses provide insurance and reinsurance of property and casualty risks worldwide and also reinsure life, accident and health risks worldwide.

A presentation of the portion of the BHI holding company system that contains Gen Re is as follows:

## General Star Indemnity Company

<u>Name of Corporation</u>	<u>Domicile</u>	<u>Principal Activity</u>	<u>% Ownership</u>	<u>Incorporated/ Acquired by Group</u>
Berkshire Hathaway Inc. <sup>(1)</sup>	Delaware	Holding Company	None	
General Re Corporation	Delaware	Holding Company	100	1980/1998
General Reinsurance Corporation	Delaware	Reinsurer	100	1970
Elm Street Corporation	Delaware	Real Estate	100	1981
<b>General Star Indemnity Company</b>	<b>Delaware</b>	<b>Insurer</b>	<b>100</b>	<b>1967</b>
General Star National Insurance Company	Delaware	Insurer	100	1864/1985
General Star Management, LLC	Delaware	Management	100	1979
Genesis Management and Insurance Services, LLC	Delaware	Management	100	1988
Genesis Insurance Company	Delaware	Insurer	100	1976/1989
GRC Realty Corporation	Connecticut	Real Estate	100	1972
General Reinsurance Australia Ltd	Australia	Reinsurer	100	1961
General Re Compania de Reaseguros, S.A.	Uruguay	Reinsurer	100	1990
General Reinsurance AG	Germany	Reinsurer	100	1846/1994
General Re Servicios México S.A.	Mexico	Service Company	100	1976/1994
Gen Re Support Services Mumbai Private Limited	India	Service Company	99.99 <sup>(4)</sup>	2014
General Reinsurance Africa Ltd.	South Africa	Reinsurer	100 <sup>(2)</sup>	1966/1994
General Reinsurance AG Escritório de Representação no Brasil Ltda.	Brazil	Management	99.99 <sup>(3)</sup>	1997
General Reinsurance Life Australia Ltd.	Australia	Reinsurer	100	1981/1994
Gen Re Beirut s.a.l. offshore	Lebanon	General Business Corp.	100 <sup>(2)</sup>	1996
General Re Life Corporation	Connecticut	Reinsurer	100	1967/1994
Idealife Insurance Company	Connecticut	Insurer	100	1981/1994
Railsplitter Holdings Corporation	Delaware	Holding Company	100	2008/2008
Gen Re Japan Service Company Limited	Japan	Service Company	100	2017
New England Asset Management, Inc.	Delaware	Investment Adviser	100	1984/1995
New England Asset Management Limited	Ireland	Investment Adviser	100	2008
United States Aviation Underwriters, Incorporated	New York	Manager	100	1928/1982
Canadian Aviation Insurance Managers Ltd.	Canada	Manager	100	1937
Gen Re Intermediaries Corporation	New York	Intermediary	100	1926/1928
Faraday Holdings Limited	UK	Holding Company	100	1991/1998
GRF Services Limited	UK	General Business Corp.	100	1993/1998
Faraday Underwriting Limited	UK	Manager	100	1982/1998
Faraday Capital Limited	UK	Lloyd's Corporate Vehicle	100	1994/1998
Faraday MGA Limited	UK	Managing General Agent	100	2017
GRD Holdings Corporation	Delaware	Holding Company	100	2001
General Re Financial Products Corporation	Delaware	Former Swap Dealer	100	1990
Gen Re Long Ridge, LLC	Connecticut	Real Estate	100	2008
GRSA Services (Proprietary) Limited	South Africa	Service Company	100	2021

<sup>(1)</sup> As of March 2, 2022, Warren E. Buffett owned 238,624 shares of Class A common stock and 2,412 shares of Class B common stock, which is approximately 32.1% of the voting interest and 16.2% of the economic interest of BHI.

<sup>(2)</sup> Percentages include any qualifying shares.

<sup>(3)</sup> General Reinsurance AG owns 3,574,417 shares of General Reinsurance AG Escritório de Representação no Brasil Ltda. One share is owned by Luis E.C. Rayes, a Brazilian citizen.

<sup>(4)</sup> General Reinsurance AG owns 99.99% of Gen Re Support Services Mumbai Private Limited. One share is owned by Suzie Foo (on behalf of General Reinsurance AG).

Through its directly and indirectly owned subsidiaries, Gen Re has global insurance, reinsurance and financial service operations with business activities in over forty-four cities throughout the world and provides property/casualty and life/health (re)insurance coverage worldwide. Gen Re's principal reinsurance operations are based in North America and Germany, with other major operations in Asia, Australia, Europe (primarily London) and South America. Gen Re's principal financial service operations are the New England Asset Management, Inc. (NEAM) operations located in the United States (Farmington, Connecticut) and Dublin, Ireland.

#### Affiliated Agreements

##### *Master Services Agreement*

Effective August 1, 2014, as Amended September 1, 2017, December 31, 2017 and September 30, 2021, Gen Re and its subsidiaries, including the Company, entered into a Master Services Agreement, whereby the entities provide various services and reporting to each other. The Master Services Agreement superseded various individual service agreements that existed between and among the entities.

##### *Other Agreements*

Other agreements with affiliates were entered into prior to the period covered by this examination and were reviewed in connection with earlier examinations. They remained in effect as of December 31, 2021.

#### **TERRITORY AND PLAN OF OPERATION**

The Company's direct parent, GRC, is the principal subsidiary of Gen Re and directly or indirectly owns the majority of Gen Re's domestic and international insurance operating entities. Gen Re operates in four principal business segments: North American property/casualty insurance and reinsurance, international property/casualty reinsurance, global life/health reinsurance and

financial services. GRC's standalone operations constitute the North American property/casualty reinsurance segment. The Company and its affiliates, GSN and GIC, as standalone operations constitute the U.S. property / casualty insurance segment of Gen Re.

The Company is a Delaware Domestic Surplus Lines Insurer and an eligible excess and surplus lines insurer in all fifty states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The Company provides surplus lines insurance of commercial property and casualty coverages on a primary and excess basis, primarily for small and mid-sized commercial entities. Business is written through licensed surplus lines brokers operating as wholesale brokers, program administrators, and wholesale brokers with binding authority. The Company's surplus lines business is written through all underwriting divisions for a wide range of commercial lines. It may also write personal lines.

The Company and its insurance affiliates have branch offices in Atlanta, Georgia; Chicago, Illinois; Los Angeles, California and New York, New York.

### **REINSURANCE**

The Company utilizes reinsurance agreements to reduce its exposure to large losses. The Company's ceded reinsurance program is primarily concentrated with its parent company and two BHI affiliates. Effective January 1, 2005, the Company (and affiliates: GRC, GSN and GIC) entered into a loss portfolio transfer reinsurance contract and a quota share reinsurance contract with two other BHI affiliates, National Indemnity Company (NICO) and Columbia Insurance Company. Both agreements cover the majority of the North American property/casualty business. The loss portfolio provides for a 50% reinsurance cover on existing net losses as of December 31, 2004, subject to an overall aggregate limit of \$11.15 billion. The quota share provides 50% reinsurance cover on net losses occurring after January 1, 2005.

Effective July 1, 2021, the Company, along with GRC, GSN and GIC, entered into a loss portfolio agreement with NICO that transfers their aggregate ultimate net loss to NICO related to their obligations under their asbestos and environmental loss liabilities.

The following is a summary of the Company's gross written and assumed premium, ceded premium and net written and assumed premium for the years ended December 31 2016 (previous examination) and 2021.

	2021 Premium Written and Ceded	% of Written Premium	2016 Premium Written and Ceded	% of Written Premium
Direct premium written	\$ 573,724,150	100.0%	\$ 145,601,655	100.0%
Ceded to affiliates	306,421,235	53.4%	71,471,284	49.1%
Ceded to non-affiliates	2,941,085	0.5%	6,413,078	4.4%
Total ceded	<u>\$ 309,362,320</u>	<u>53.9%</u>	<u>\$ 77,884,362</u>	<u>53.5%</u>
Net written premium	<u>\$ 264,361,830</u>	<u>46.1%</u>	<u>\$ 67,717,293</u>	<u>46.5%</u>

As of December 31, 2021, the Company's ceded reinsurance in-force consists primarily of affiliated reinsurance as demonstrated by the following summary of reported credits for reinsurance:

	Affiliated Reinsurers*	Unaffiliated Reinsurers*	Total as of 12/31/2021*
Paid losses and loss adjustment expenses	\$ 39,729	\$ 379	\$ 40,108
Known case loss and loss adjustment expenses	129,993	815	130,808
Incurred but not reported	347,637	983	348,620
Unearned premiums and Contingent commissions	140,694	1,428	142,122
Total Reinsurance Recoverables	<u>\$ 658,053</u>	<u>\$ 3,605</u>	<u>\$ 661,658</u>

(\*In Thousands)

**FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the Department, are reflected in the following:

- Statement of Assets as of December 31, 2021
- Statement of Liabilities, Surplus and Other Funds as of December 31, 2021
- Statement of Income for the Year Ended December 31, 2021
- Reconciliation of Capital and Surplus for the Period from the Prior Examination as of December 31, 2016 to December 31, 2021

Statement of Assets  
As of December 31, 2021

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	\$ 18,246,819	\$ -	\$ 18,246,819
Stocks			
Preferred stocks	30,729,000	-	30,729,000
Common stocks	462,660,800	44,450,000	418,210,800
Cash and cash equivalents	462,210,521	-	462,210,521
Short-term investments	174,963,708	-	174,963,708
Receivables for securities	119,481	-	119,481
Subtotals, Cash and Invested Assets	<u>\$ 1,148,930,329</u>	<u>\$ 44,450,000</u>	<u>\$ 1,104,480,329</u>
Investment income due and accrued	1,529,981	-	1,529,981
Premiums and considerations			
Uncollected premiums and agents' balances in course of collection	50,107,839	2,163,435	47,944,404
Deferred premiums, agents' balances and installments booked but deferred	4,144,884	7,111	4,137,773
Reinsurance			
Amounts recoverable from reinsurers	40,108,221	-	40,108,221
Current federal and foreign income tax recoverable and interest thereon	2,361,271	-	2,361,271
Aggregate write-ins for other than invested assets	569,681	73,181	496,500
Total Assets	<u>\$ 1,247,752,206</u>	<u>\$ 46,693,727</u>	<u>\$ 1,201,058,479</u>

Statement of Liabilities, Surplus and Other Funds  
As of December 31, 2021

		Notes
Losses	\$ 328,532,243	1
Loss adjustment expenses	82,408,417	1
Commissions payable, contingent commissions and other similar charges	2,036,427	
Net deferred tax liability	48,424,740	
Unearned premiums	118,796,146	
Ceded reinsurance premiums payable	52,792,572	
Amounts withheld or retained by company for account of others	263,374	
Provision for reinsurance	157,000	
Payable to parent, subsidiaries, and affiliates	3,301,599	
Aggregate write ins for liabilities	194,910	
Total Liabilities	\$ 636,907,428	
Common capital stock	5,000,000	
Gross paid in and contributed surplus	85,000,000	
Unassigned funds (surplus)	474,151,051	
Surplus as regards policholders	\$ 564,151,051	
Total Liabilities, Capital and Surplus	\$ 1,201,058,479	

Statement of Income  
For the Year Ended December 31, 2021

Premiums earned	\$ 247,196,580
Losses incurred	\$ 205,673,549
Loss adjustment expenses incurred	37,628,549
Other underwriting expenses incurred	70,717,113
Aggregate write ins for underwriting deductions	(415,000)
Total underwriting deductions	<u>\$ 313,604,211</u>
Net underwriting gain (loss)	<u>\$ (66,407,631)</u>
Net investment income earned	10,940,242
Net realized capital gains (losses)	40,924
Net investment gain (loss)	<u>\$ 10,981,166</u>
Net gain (loss) from agents' or premium balances charged off	(145,208)
Total other income	<u>\$ (145,208)</u>
Net income before dividends to policyholders	\$ (55,571,673)
Dividends to policyholders	
Net income after dividends to policyholders	<u>\$ (55,571,673)</u>
Federal and foreign income taxes incurred	(9,797,208)
Net Income	<u><u>\$ (45,774,465)</u></u>

Reconciliation of Capital and Surplus  
for the Period from the Prior Examination  
as of December 31, 2016 to December 31, 2021

	Common Capital Stock	Gross Paid-in & Contributed Surplus	Unassigned Funds Surplus	Total
Balance at December 31, 2016	\$ 5,000,000	\$ 85,000,000	\$ 505,172,730	\$ 595,172,730
2017 Net income (loss)	-	-	92,832,050	92,832,050
2017 Other Changes <sup>1</sup>	-	-	(10,862,518)	(10,862,518)
Balance at December 31, 2017	\$ 5,000,000	\$ 85,000,000	\$ 587,142,262	\$ 677,142,262
2018 Net income (loss)	-	-	38,721,171	38,721,171
2018 Other Changes <sup>1</sup>	-	-	(77,319,596)	(77,319,596)
Balance at December 31, 2018	\$ 5,000,000	\$ 85,000,000	\$ 548,543,837	\$ 638,543,837
2019 Net income (loss)	-	-	12,505,530	12,505,530
2019 Other Changes <sup>1</sup>	-	-	78,805,476	78,805,476
2019 Dividends <sup>2</sup>	-	-	(63,000,000)	(63,000,000)
Balance at December 31, 2019	\$ 5,000,000	\$ 85,000,000	\$ 576,854,843	\$ 666,854,843
2020 Net income (loss)	-	-	(4,436,288)	(4,436,288)
2020 Other Changes <sup>1</sup>	-	-	4,053,241	4,053,241
2020 Dividends <sup>3</sup>	-	-	(66,000,000)	(66,000,000)
Balance at December 31, 2020	\$ 5,000,000	\$ 85,000,000	\$ 510,471,796	\$ 600,471,796
2021 Net income (loss)	-	-	(45,774,465)	(45,774,465)
2021 Other Changes <sup>1</sup>	-	-	69,453,720	69,453,720
2021 Dividends <sup>4</sup>	-	-	(60,000,000)	(60,000,000)
Balance at December 31, 2021	\$ 5,000,000	\$ 85,000,000	\$ 474,151,051	\$ 564,151,051

<sup>1</sup>Changes in unassigned funds - other for each year include: change in net unrealized capital gains/(losses); change in net deferred income tax; change in nonadmitted assets; and change in provision for reinsurance.

<sup>2</sup> On July 30, 2019, the Company notified the Department of their intent to pay a \$63 million ordinary dividend. The dividend was paid out of earned surplus to the Company's sole shareholder, GRC on August 16, 2019.

<sup>3</sup> On July 29, 2020, the Company notified the Department of their intent to pay a \$66 million ordinary dividend. The dividend was paid out of earned surplus to the Company's sole shareholder, GRC on August 17, 2020.

<sup>4</sup> On November 22, 2021, the Company notified the Department of their intent to pay a \$60 million ordinary dividend. The dividend was paid out of earned surplus to the Company's sole shareholder, GRC on December 6, 2021.

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS RESULTING FROM THE EXAMINATION**

There were no adjustments to the Company's financial statements as a result of the examination.

**COMMENTS ON FINANCIAL STATEMENT ITEMS**

Note 1:

Losses	\$ 328,532,243
Loss Adjustment Expense	82,408,417

INS Consultants, Inc. (Consulting Actuary) assisted in review of the inherent risks, management oversight and other mitigating controls over the Company's actuarial processes and procedures. The Consulting Actuary's review included detail testing and an independent calculation of selected segments of the Company's gross and net loss and loss adjustment expense reserves as of December 31, 2021. The examination analysis of Loss and Loss Adjustment Expense reserves was conducted in accordance with applicable guidance in the *Actuarial Standards of Practice* and the *NAIC Accounting Practices and Procedures Manual*.

**SUBSEQUENT EVENTS**

*Hurricane Ian*

Hurricane Ian was a large and destructive Category 4 Atlantic hurricane that made landfall and moved through Florida in late September 2022. The damage caused by the hurricane in Florida is expected to be a significant loss to the Company and the Group. GRC stated that it does not expect losses to have a material impact on its capital position and while it is very early in the evaluation process, the GRC's modeling indicates a gross loss on the order of magnitude of \$450 million to \$550 million to the GRC (net of reinstatement premiums). GRC further stated that for its subsidiary Group companies, including the Company, the estimate is currently in the range of \$30 million to \$45 million. This estimate was preliminary, based on information currently

available and subject to change, as well as further analysis. GRC asserts it is monitoring industry loss estimates and reaching out to clients and will refine the estimates as more information becomes available.

Master Facultative Reinsurance Agreement

On September 21, 2022, the Company and GRC, filed a Form D request for approval with the Department for a proposed Master Reinsurance Agreement (MRA). The proposed MRA will hold all of the facultative agreements entered into between GSI (as the cedent) and the Company (as the reinsurer). The Company and GSI are parties to multiple facultative reinsurance arrangement, retroactive to January 1, 2021 and are seeking, both on a retroactive and prospective basis, to make all of these arrangements subject to the proposed MRA. The proposed effective date of the MRA is January 1, 2021. Currently, the proposed MRA has been approved by the Department.

**SUMMARY OF RECOMMENDATIONS**

There were no examination report findings or recommendations as a result of this examination.

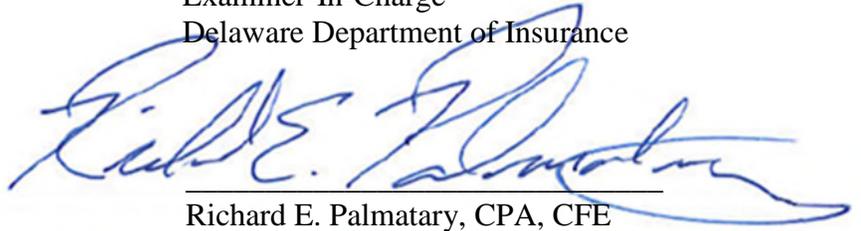
**CONCLUSION**

The assistance of the Department's Consulting Actuary and consulting information technology firm, INS Services, Inc. is acknowledged. In addition, the assistance and cooperation of the Company's external audit firm, Deloitte & Touche, and the Company's management and staff is appreciated and acknowledged.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hails Taylor", written over a horizontal line.

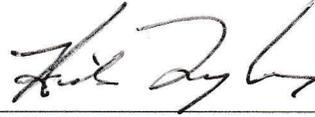
Hails Taylor, CFE  
Examiner-In-Charge  
Delaware Department of Insurance

A handwritten signature in blue ink, appearing to read "Richard E. Palmatary", written over a horizontal line.

Richard E. Palmatary, CPA, CFE  
Supervising Examiner  
Delaware Department of Insurance

General Star Indemnity Company

I, Hails Taylor, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to Examination Certification No. 22.002.

A handwritten signature in black ink, appearing to read "Hails Taylor", written over a horizontal line.

Hails Taylor, CFE